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INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE: AFRICA'S REGIONAL CONCERNS IN A GLOBAL PERSPECTIVE

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A. INTRODUCTION

1. In resolution 43/182 the General Assembly inter alia called upon the United Nations Conference on Trade and Development, the regional Commissions and other organizations and specialized agencies of the United Nations system to include in their agenda during their 1989 meetings items regarding their contribution to the preparation of the International Development Strategy for the Fourth United Nations Development Decade and to contribute effectively to the preparatory process for the strategy by providing all appropriate input, including relevant documentation. Using comprehensive analytical studies, the present paper has been prepared as basis for working out the contribution of ECA to the Fourth United Nations Development Decade.

2. By adopting the Lagos Plan of Action for the Economic and Social Development of Africa 1980-2000,1./ Africa's Priority Programme for Economic Recovery 1986-1990 (APPER)2./ and the United Nations Programme of Action for Africa's Economic Recovery and Development 1986-1990 (UNPAAERD),3./ Africa has attempted to bring about a specific focus for its future development and advancement. The period 1981-2000 being the last decade of the Lagos Plan of Action, a Fourth United Nations Development Decade can only be seen as an ideal framework for Africa in partnership with the international community, to pursue with renewed vigour the goals and the objectives of the African plans and the associated regionally agreed strategies. Accordingly, the successful implementation in Africa of any international development strategy for the 1990s will depend to a considerable extent on the degree to which the issues addressed in these regional programmes are integrally worked into the global strategy.

B. AFRICA'S DEVELOPMENT EXPERIENCE DURING THE THIRD UNITED NATIONS DEVELOPMENT DECADE

3. The IDS for the Third United Nations Development Decade for the 1980s defined the goals linking economic, social, and political issues, short - and long-term perspectives, and domestic and international policy issues in specific areas. The ultimate responsibility for development rests primarily with the developing countries themselves with clear commitment on the part of the developed countries to support such endeavours through policies aiming at improving the international economic and political

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1./A/S-11/14 Annex I
2./A/40/40
3./A/S-13/2 Annex.

environment conducive to development and through international cooperation designed to bridge the socio-economic gap between developing and developed countries. This of course is seen in the context of the establishment of a New International Economic Order.

4. However, during the 1980s the performance of the African region has been far from satisfactory in many respects. The average overall rate of growth of total regional output decelerated considerably from its 1970s level of 5.2% to only 1.5% in the 1980s which was far below the target of 7% postulated in the International Development Strategy. A large number of individual African countries in fact recorded only negative average rates of growth during the decade.

5. The performance of the agricultural sector, on which much depends, was particularly unimpressive linked as it was to unfavorable climatical conditions, and other adverse external factors as well as a pervasive technological gap which prevailed for much of the decade. The sector had not recorded any positive growth rates except in exceptional rainy periods. During the 1980s, the sector was only able to achieve a meagre growth of below 1%. The output was lower than its level of the 1970s and the region during the 1980s remained on the whole food aid dependent. Food imports rose by five times compared with the 1970s level. The production structure remained narrow with most countries depending on one or two major agricultural products for general economic livelihood.

6. The industrial sector was equally undeveloped during the 1980s. Apart from a few lines of production of consumption goods, the intermediate and capital goods subsector were weak or virtually non-existent. The import content remained high, productivity low and there have not been any gains in the competitive edge. Shortages of technical and skill capabilities, management weaknesses, shortages of raw materials and spare parts continue to weaken the capacity of the sector to expand and grow. During the 1980s, the sector achaived an average rate of growth of only 3.6% compared to the target of 6% set for the decade. Similarly, the sectors in support such as transport, trade, and services were adversely affected by the overall economic decline.

7. Per capita income fell sharply to 80% below what it was at the end of the previous decade as population rose and business activity and economic productivity declined. The situation was more precarious in the group of the Least Developed Countries (LDC) whose combined growth of per capita income declined sharply over the decade due to their added peculiar problems. For the group as a whole, average growth per capita income declined by 0.1% on an annual basis during 1980-1986. Mass poverty thus spread further with about 85% of the African population estimated to be living below the poverty line. Furthermore, the budgetary deficit arising from the low expansion of economic activity and

reduced foreign savings has considerably limited the ability of many a country in the region to produce any improvements in the quality of life in terms of provision of social services and generation of employment opportunities.

Trends of Major Development Indicators in the 1970s and 1980s

	1970-1979	1980-1989
GDP	5.1	1.5
Agriculture	1.3	1.4
Manufacturing	5.5	3.6
Capital formation	4.4*	-2.0
Exports	3.8*	0.3
Imports	3.0*	-2.3

source: ECA estimates

* refers to 1975-1979

8. Against the preceding overall picture of the experience of Africa during the Third United Nations Development Decade, one would like to recall the main objectives of the International Development Strategy for the Third United Nations Development Decade, namely, the development of the developing countries to which the developed countries commited themselves. What in fact happened was that while the technologically developed countries are enjoying the longest recovery on record for the most of the 1980s as evidenced by the average of 4 per cent annual growth rate of goods and services of Western developed countries and 5.8 per cent for Japan all in six years consecutively, Africa has been suffering from the lowest growth and worst crisis situation on record during the decade.

9. While domestic endogenous and exogenous factors has no doubt played havoc with African development during the 1980s, there is also no denying the fact that the external environment had been particularly hostile. In particular, increased protectionism, rapid advancement in the development of technology for the substitution of synthetics for raw materials, and the intensification of bilateral approach to cooperation to the detriment of

multilateralism were some of the external factors adversely affected African development efforts during the 1980s.

10. Overall, the situation reflects the fact that the recovery in the developed countries was not transmitted at the required level and scale due to institutional factors governing market specialization, patent and technology protectionism, and international division of labour in international decision-making centres that limit the free transfer of technology. It is not surprising, therefore, that in the wake of the 1980s which witnessed technological leaps in space and nuclear energy and telecommunication revolution, Africa remains technologically behind and considerably underdeveloped; and so remains prone to natural calamities and external dependence. While developed countries have made massive additions to their capital accumulation both quantitatively and qualitatively, the rate of investment has been falling continuously during the 1980s with very insignificant additions to capital stocks of the 1970s. Indeed, even the low capacity to maintain existing stocks signifies the fact that Africa is in a deplorable process of capital decumulation.

11. In the area of money and finance to which the IDS has given due prominence in the strategy for the 1980s, Africa, of all continents, has been the worst sufferer and a victim of an unjust international economic order. The IDS has not only emphasized the convergence and the close relationships that exist between money, finance and trade as international policy instruments for development but systematically laid the framework of principles and rules governing trade, monetary and financial relations on the clear understanding that the commitment of developed countries to keep their markets open, and to provide appropriate flow of resources anf other measures in support of development efforts of the developing countries. Unfortunately in spite of such rules, Africa in one year alone lost $19 billion or one third of its export earnings due to the collapse of commodity prices in 1986. The retrenchment policies have forced quite a number of African countries to cut down on their essential imports for development to contain their current account deficits. Nonetheless, many countries were pressed to resort to heavy borrowing at a tremendous cost and under hard conditionalities. The debt problem which was not conceived at that time by the strategy for the third decade has by the mid 1980s become a real development problem of far reaching and dire consequences for the economic, social and political life of the majority of the African population. The region total external debt obligations stood at $230 billion at the end of 1988 compared to $174 billion in 1985, representing an annual increase of 5.5%. It is not, therefore, surprising that since the inception of the recovery programme (UNPAAERD) in the mid of the 1980s debt obligations had increased by 32% and the debt overhang forced many countries to adopt severe adjustment.

12. These stabilization and structural adjustment programmes have not succeeded in resolving the development impasse. In spite of the considerable political risks these programmes imply, the inflow of resources that they are supposed to generate was not enough to sustain the adjustment and the recovery process. The failure of these programmes lies in the fact that their focus is mainly on improper fiscal and monetary imbalances rather than real development factors that can engineer a fundamental restructuring of the African economies and cater for the real and basic needs of the African population in terms of easy access to basic commodities and services such as food, primary health care, education and reduction in unemployment. More alarming is the financial liquidity entailed in the programmes themselves requiring as they do the acquisition of additional unproductive loans at hard terms and conditionalities, thus aggravating the already difficult position of the region as a net lender of resources to the outside world.

13. It is clear then that the objectives of the IDS for the Third United Nations Development Decade were far from being adequately achieved in the African region. Far from it, the African region has remained critically food and dependent. Food insecurity has given rise to widespread unrest and social strife. Dependency on other regions products, finance and technology has intensified. Production structures have remained virtually undeveloped and consumption patterns had induced further supply rigidities and bottlenecks. Integration efforts were frustrated by lack of finance. Thus, Africa was far from achieving a self-sustaining development in terms of structural transformation.

C. [illegible]

14. The lessons that Africa has learned in the course of development are varied and wide. First, the presence and persistence of a crisis situation exacerbated by the inherent structural deficiencies despite major structural reforms of various types over the last three decades is a major cause for concern. Indeed the fragile structural characteristics and physical limitations have been the very cause of stagnation and economic instability and would continue to be the very factors that will make development in the region extremely prone and vulnerable to domestic as well as external shocks and disequilibria. Secondly the emergence of arrayous and external factors came suddenly to exacerbate and deepen the crisis already facing the African economies such as the impact of world's recession on Africa during 1980-82, the great African drought 1983-85, collapse of commodity markets in 1986 and the emergence of debt as a development problem, the decline of resource flows in real terms in 1988, etc. Hence the priority for many African countries of the region has been more survival than development. The main areas

of concern that led to such a situation and which are likely to affect overall development in Africa relate to:

a) The Social Crisis

10. The current economic and social crisis in the African region is taking place in an environment that is characterized by rapid population growth rates, uneven population distribution, rapid rates of urbanization, massive unemployment, widening gap between the urban rich and the rural poor, and consequent progressive pauperization of the population. Nonetheless, population is still growing very rapidly in many countries of Africa and is expected to reach the billion mark by the close of the century from its present level of 650 million with a growth rate of 3.2% p.a. compared to 2% growth in the developing countries as a whole. The implications of this are ominous - such growth if not properly checked will indeed exacerbate the development crisis in the region raising more social and environmental problems. In many countries, these problems will be further compounded as drought, famine and the resultant refugee population. If population trends and the demographic setting will continue on its present level, increased pressure on demand for food will further distort resource allocation among productive sectors, unemployment and underemployment would intensify, essential services such as education, health, transport and housing will deteriorate and wide spread poverty and social unrest will become the norm of the 1990's. More alarming is the social cost of adjustment as many countries in the region resort to vigorous stabilization and structural adjustment programmes. The demand management which entail harsh austerity measures has intensified the unemployment situation, escalated inflation and led to widespread mass poverty.

11. Another emerging concern is the widening of the social gap between Africa and other developing regions in terms of quality of life. Life expectancy had not improved appreciably during the last two decades and is still the lowest among developing countries being only 49 years in spite of the huge budgetary expenditure on education, health, housing, etc. This is indeed a cause for concern. Therefore there is need to promote universal primary education on a large scale. Most importantly in this regard is the need to develop a new orientation in education in particular non-formal education to eliminate illiteracy with a view to closing the gender gap in education necessary for upgrading and preparing generations for development. It is also important in this area to integrate health programmes into rural development programmes and to establish a balance between preventive care health measures and curative health which presently accounts for 3/4 of national health budgets to ensure safe drinking water, hygenic food, adequate nutrition, erradication of endemic diseases, and provision of adequate housing and related services at affordable prices in the context of health for all. Above all, for the full realization of the human factor as the motive

force for change, it is imperative to close the human resource gap between its availability and rate of its effective utilization through employment-oriented development that deepens skills and increases productivity as the prime goal of socio-economic development.

b) Environmental concerns

17. One of the major concerns is the environmental protection to maintain natural wealth and increase its productivity as well as the need to control its disastrous effects on the lives of the people and livestock. Deforestration, soil degradation and desertification are indeed serious issues that threaten to cause permanent damage to the eco-system. In the 1980s the African region was hit by the most devastating natural disaster on record. Under such unbearable burden, agriculture could no longer sustain the basic necessities of the African population, given the damage to the soil caused by drought and other natural calamities. Drought and desertification induced problems have affected more than two-thirds of the African countries in the last decade. During the period of the Great African Drought 1983-1985, drought affected as many as 35 African countries which had required at one time or another massive emergency food aid. Out of the 200 million living in the drought prone countries, 30-35 million people have been seriously affected and as many as 10 million people became displaced because they had to abandon their homes in search of food, water and pastures. Famine, malnutrition, and diseases were widespread among them in particular areas of western, Eastern and Southern Africa.

18. Tropical forests are estimated to be declining at the rate of 1.3 million hectares per year. Genetic resources are being lost and there is a shift of ecological zones: desertification of the Sahel, sahelization of the savannah and savannization of the forests. Apart from the 6.1 million sq.km. occupied by natural desert, more than 10.3 million sq.km. of land suffered from the effects of desertification. Rates of desertification have been alarming ranging between 10 to 40 km. per year due to overgrazing, bush fires and inadequacy of systems of agriculture management and exploitation. Inappropriate land use and poor management of natural resources also caused serious land and soil degradation in most African countries. If the present pattern of exploitation continues without conscious efforts to control forest and soil degradation and introduce irrigation and water resources management, the forest resources will be threatened by depletion with some countries under threat of completely losing their productive resources.

19. Moreover, the inability to develop the technical capability to preserve and conserve the natural resource base is a cause for concern. In this regard, it is important to develop integrated research and technological capability to ensure that the effects of drought and desertification are controllable, to introduce

major changes in the eco-system to ensure a better agro-animal-forestry balance , major changes in the use and development of irrigational systems to lessen dependence on climatic variability, and develop biogenetic engineering to develop plants resistant to drought.

c) International Issues

20. The attainment of the objective of maximizing the economic and social welfare of the population is critically inter-related to developments in extra-African markets. This is so as long as Africa remains as part of a highly interdependent world. World inflation and recession could afflict small economies with intensities that are undesirable and could easily throw their development momentum out of gear. Thus one of the major concerns of the African region is the existence of an unjust international economic order as regards its awkward position in the international division of labour and distribution of world's wealth. If the region will continue to be over-dependent on external markets in a South-North framework with growing domination by developed countries through ,inter-alia, transnational corporation and monopolistic technology markets; if the perverse international financial and monetary arrangements were to continue in an increasingly privatized system; if the interest rates remain exorbitent and exchange rates volatile, if the deteriorating trends in aid modalities and quality persist, then the prospects for the inflow of foreign resources to Africa will be bleak in the 1990s and the existing sombre situation will get even worse. The chances for Africa's recovery and stability during the rest of the decade would be in serious jeopardy. Such will become the challenge to the 1990's.

d) Integrating Africa

21. The undeveloped socio-economic structures of the African countries after more than three decades of political independence while other developing countries have progressed far in economic development is a serious cause for concern. The colonial heritage of small and tiny states hardly capable of meeting the challenges of development make most of the economies virtually unviable entities and void of the necessary dynamism and momentum for the necessary take-off. This balkanization led to a host of unsurmountable problems in the course of development and would indeed continue to frustrate the efforts of many countries to make significant breakthroughs towards any future genuine development. Indeed, self-sustaining development cannot be adequately achieved within confines of small and fragmented markets. The opportunities offered by economies of scale are non-existent in most of them, except for the few with dominant growth factors such as oil or a relatively diversified industrial base. The existence of imperfect structures in finance and technology can hardly provide the basic ingredients for dynamic expansion. Under the circumstances, it is difficult for many countries in the region to satisfactorily meet the long-term

development objectives in particular food security and food self-sufficiency. The food problem has been long in Africa and has recently been exacerbated to unsustainable levels due to the emergence of external factors whose control is beyond the capacities of individual African countries. Therefore, one of the concerns of development in the region is to foster economic cooperation and integration in order to collectively overcome the development impasse facing the region as a whole by strengthening and building up the institutional capacities necessary for enhancing the efforts of the establishment of the African Common Market as the priority of the first order. Towards that end, it is necessary to enhance the facilitation and expansion of intra-African trade to levels that would ensure that more than two-thirds of the region's total in goods and services are traded within the region. What urgently needed in this direction is the development of an integrated transport and telecommunication system for the physical integration of the continent with a view to fostering effective cooperation among African countries in order to achieve self-sustaing economic development through the development of intra-African trade to free the movement of resources, factors, and people.

22. Furthermore, the new elements that are likely to confront Africa and undermine the possibilities of the successful realization of the goals of the LPA in the 1990s relate to two important and decisive factors:

i) It has been described by many that the 1990s is the decade of intense protectionism. No doubt the emergence of EEC as an integrated economic entity by early 1990's has already by now induced and propelled many developed and developing countries into regionalized bloc economies with fierce competion in commodity markets, finance and technology;

ii) according to world forecasts that while the 1980s was characterized by resource shortages, the 1990s is indeed going to be the period of resource crunch given the volatility of exchange rate regimes, trade wars, state of flux characterizing the financial markets, and the inability of industrialized countries to coordinate fiscal and monetary policies.

23. Indeed, any new formulation of development approaches should be grounded on the practical experience of the realistic factors that influence development. That is not to say that the LPA is incapable of shaping the African future course of development or the objectives are ambitious but rather that there are certain areas which were not adequately anticipated before, and have now turned to be the very factors that had diverted the planned course of development in the African region.

24. Such a need was reflected in the concern that led to the adoption of a five-year Medium-term programme of action (APPER) to reverse drastically the unsustainable situation that had grown unabated since the inception of the LPA and to establish a process of recovery that would provide an impetus for the realization of the objectives in the long run. The programme has redefined the priorities and established the mechanism as the necessary set of targets and measures for its successful implementation. This has been followed by carefully designed adjustment programmes to rectify domestic and external imbalances. In this context, structural adjustment programmes have assumed prominence in reconciling the requirements of short-term management with those of medium-, and long-term development objectives. Once again, indications from recent developments in the region point to the unlikely achievement of the short-and medium-term objectives and hence the sustainment of growth over the long-run. The continuation of such an unacceptable situation is a cause for alarm and would indeed require an intensive diagnosis and subtler analysis of the causes and the appropriate solutions that would enhance the capacity of the region to expand and grow.

25. From the critical examination of the factors that had led to the widespread malaise in the region in the 1980s , two factors feature prominently. First, the overall economic development in Africa has fluctuated directly with the weather conditions and other natural calamities. The second relates to the effects of international environment and the overwhelming vulnerability of the African economies. It is these two questions that should set the basis for the total re-examination of the prospects of Africa's future path and serve as a guideline to the formulation of a workable strategy to the rest of the century.

D. AFRICA'S DEVELOPMENT OBJECTIVES IN THE 1990S: A RECAPITULATION

26. Africa, being the most underdeveloped continent, has no doubt underscored the importance that development in the region would proceed faster along lines well mapped in advance. To that end, long-term development plans and medium-term strategies were designed to fully direct the course of development to the rest of the century and beyond. These plans and programmes constitute the core of the concept of development in the region and as such they were continuously translated in the formulation of national development plans, as well as for providing the guiding theme for the formulation of subregional and regional sectoral plans of action, sectoral development decades, and creation of preferential trade area and economic development communities.

27. The basic theme of development as has been laid down in the regional strategies centres around three basic objectives, namely:

- reducing dependence on external factors

- greater control of national natural resources for the rationalization of the development process

- increased complementarity with neighbouring countries

3) Lasting structural transformation of African production and consumption patterns

- structural transformation of African production and consumption patterns

- development of national technological capabilities within the country

- creation of institutional utility including effective planning and management structures

- full participation of the people

4) Improvement in the welfare of the people through:

- raising the level of income of the people

- ensuring better income distribution by narrowing down inter-regional or intersectoral imbalances

- ensuring better access to basic social services of health and sanitation, nutrition, water, education and housing for all the people of the population

- expanding employment opportunities and ensuring sufficient wages.

Now, after all the principal objective remains the improvement of the human conditions in the region through overcoming hunger and malnutrition in a dynamic context of human-centered development. This objective is conditional on the achievement of the objective of the establishment of a self-sustaining process of development and growth, while the establishment of self-sustaining development is a necessary condition for the elimination of poverty, as it ensures the basic satisfaction in the production and consumption patterns that leads to the availability of goods and services acceptable and affordable, nonetheless it is not sufficient condition given the African

domestic and external realities. What is needed and necessary is a development pattern that generates dynamism from within and internalize development. This is the imperative of the third objective of the LPA namely the attainment of the full regional collective self-reliance. The grounds are many. First, development will proceed faster by pooling resources for common development and by creating the required complementary base for the fuller and speedy utilization of resources, and secondly it will free the African countries from the undue and excessive dependence on hostile external environment.

29. The overall objective of regional integration in the long-term development perspectives would, thus, remain on the whole different from the orthodox fashion of maximization of the benefits on pure economic grounds. In Africa it should be seen as the last resort to achieve lasting structural change where other means have failed in the face of growing external uncertainties. In this context, the ultimate strategy should become fostering social and economic integration of the continent. In the short and medium-term the strategy should aim at the strengthening and the creation of sub-regional and regional cooperation structures with solid arrangements in the spheres of production, technology and finance, within the context of achieving the objectives of UNPAAERD at the country level; and in the long-run the establishment of the African Common Market and the eventual creation of the Great African Community.

E. THE DIMENSIONS OF THE STRATEGY IN PERSPECTIVE

30. The central theme of the strategy should become the reversal of the declining productivity trends the main cause debilitating the capacity of the African economies to optimize technology that is essential for increases in labour productivity. It is not the question of the rate at which investment should expand or the lack of capital per se but rather the mix of indigenous capital in the form of human dexterity and natural resources that is most crucial for determining the course of the process of transformation. Indeed, a self-propelling and a self-sustaining process of growth and development is a legitimate outcome of the proper and healthy interaction of three factors, namely population, resources and environment with a strong support of an enabling factor to facilitate the free mobility of factors of production and resources and a sustaining factor in the form of technological development that deepens and conserves development to achieve lasting structural change. To that end, the strategy should as a first priority emphasize structural improvements in supply capacity as the most relevant factor for spearheading healthy growth in the long-run. However, this should not undermine the efficacy of demand management as vital instruments for the smoth functioning of the economy to periodically adjust to imbalances in the short-term and restorisng stable growth in the medium-term

and hence its sustainment over the long-run in the context of recovery and transformation.

2.4 The main focus of the strategy is on the attainment of sustainable growth with equity and transformation based on broad-based human resource development that sustains and conserves growth through:

a) an industrialization approach to integrated development that fits better in the social and cultural fabric of the African societies;

b) pursuance of development patterns that maximize the use and effective dependence on other regional products, finance and technology;

c) balanced growth in the context of an explicit intersectoral linkage programme structure that directly promotes growth and generates directly forward and backward linkages;

d) while maintaining emphasis on the development of agriculture as a priority sector with strong sectoral linkages should shift to balanced growth based on agro-industry approach to development;

e) focus on rural articulation and integrated rural development in particular at the grass root level and small farmers community;

f) a people-oriented sub-regional development in terms of the due recognition of the role of human capital as the most crucial single factor in the creating the process of sustainability, enhancing their capacity to [illegible] other forms of capital mastery, the technological growth that are essential for rapid increase in labour productivity;

g) controlling the environment and building the insulating mechanism against its negative effects.

h) building the infrastructural mechanism for the consolidation of the integration process through putting in place sub regional and regional structures and institutions to provide the supportive and stimulating process for the full realization of the above socio-cultural-economical dimension of the African continent in particular the establishment of the African common market and the African economic community;

i) development of the technological base that is capable of maximizing the use of resource base in fulfilment of the objective of food security in particular giving

[illegible]

c) the need during the 1990's for the international community to honour and respect the compact it entered into with the African countries within the framework of the United Nations Programme of Action for Africa's Economic Recovery and Development;

d) for funded structural adjustment programme there is a need for reconciling the requirements of short-term management with those of medium - and long-term objectives to ensure adjustment with transformation based on a human - centered self-sustaining development.

(e) greater resource flows from all sources, in line with national and sectoral priorities and the needs of the region to sustain development and increase individual and collective self-reliance;

(f) a well defined and articulated agricultural assistance package to form part of the implementation of the African Food Plan and to develop the rural sector and other agro-related industries;

(g) a package for improving the social conditions in particular massive aid for development education, health and community development;

(h) increased support for the implementation of the Regional Plan of Action to Combat the Impact of Drought in Africa;

(k) increased support to governments for the successful implementation of the Second United Nations Transport and Communication Decade in Africa, the Industrial Development Decade for Africa, and the existing cooperative arrangements such as Preferential Trade Areas and Economic Communities established within the region;

(j) support as a matter of urgency for the African Least Developed Countries in accordance with the Substantial New Programme of Action for Least Developed Countries;

(i) increased support to the African Common Position on Africa's External Debt and develop the modalities for its accelerated implementation;

(l) the international financial markets and developed countries should be urged to develop and coordinate fiscal, budgetary and monetary policies that [illegible] access to markets, promote south-south cooperation in a large-scale for a more equitable international economic order in which Africa will be an equal partner in

production, distribution and consumption of world's wealth.

41. Given the formidable difficulties that Africa is presently experiencing there is a need for establishing appropriate finance modalities to ease the pressure on the balance of payment and to provide a stronger basis for countries to service their debt in a growth-oriented manner. Emphasis should be:

- donor countries should keep to their commitments of a target of 0.7% of their GNP in real terms on ODA to developing countries;

- a need for a new reallocation of ODA in favour of the poorest countries and especially those whose economies are prone to natural disasters;

- donors should not only enlarge the total volume of aid but also improve the quality and effectiveness of aid through concessionality and more flexible forms of aid and grants;

- to liberalize capital movements and relax capital controls which are becoming harsher with the incidence of high indebtedness and default;

- to refrain from the political and commercial tying of bilateral aid;

- multilateral institutions should give more support to poorer countries with conditionalities that are not inflationary;

- the World Bank should increase its medium - and long-term financing and expand its structural adjustment lending programme in conformity with the priorities and the growing needs of the African countries;

- the International Development Association (IDA), the world's largest programme directed to the needs of low-income countries, should be assisted to expand its activities significantly to take into account the current economic crisis facing the African continent; to raise the eligibility ceiling to enable more African countries to qualify, and to devote at least 50 per cent of the resources to African countries; and for the purpose to undertake efforts to raise substantially the eighth replenishment of IDA from its present level of $12.4 billion;

- rescheduling of debt should be arranged in a consistent and timely manner, as agreed upon by the Trade and

propelled by the announcement of Sir [illegible] a fully integrated market.

[illegible] above all, these reforms on the international scene need to be taken in the context of recovery and transformation for Africa to be a viable partner in the distribution of world activity. Indeed, a fully developed and integrated African can contribute positively to the liberalization of trade or a scale that has not been realized hitherto.